

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 PC-01 L-03 AID-05 SS-15 /035 W  
-----051370 110220Z /62

R 100623Z MAR 78  
FM AMEMBASSY DACCA  
TO SECSTATE WASHDC 8412

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DEPARTMENT ALSO PASS TO ACTION: MS. KING

E.O. 11652: N/A  
TAGS: EAID BG  
SUBJECT: PEACE CORPS NEGOTIATIONS

REF: DACCA 1028

1. MIN PLANNING JOINT SECRETARY MAJID TELEPHONED  
POLCOUNSELOR MARCH 7 TO SAY THAT NATIONAL BOARD OF  
REVENUE (NBR) HAD RAISED SEVERAL OBJECTIONS TO  
DRAFT AGREEMENT. LETTER FROM MAJID WITH DETAILS IS  
NOW AVAILABLE. OJECTIONS ARE SPELLED OUT BELOW.

2. OBJECTION: ON PARA 4 OF THE DRAFT AGREEMENT LETTER STATES  
"THIS PARAGRAPH MAY BE DELETED BECAUSE THE BLANKET EXEMPTION  
OF THE TAXES AND DUTIES ON EQUIPMENT AND SUPPLIES AS  
CONTEMPLATED... GOES CONTRARY TO THE POLICY OF THE  
GOVERNMENT. THE GOVERNMENT, HOWEVER, AGREES TO CONSIDER  
SPECIFIC CASES OF EXEMPTION ON MERIT ON REQUEST".  
COMMENT: WE BELIEVE THAT THIS IS PARTIALLY AN ATTEMPT  
BY THE NBR TO RESERVE THE RIGHT TO EXACT ITS POUND OF  
FLESH AND TO DISPLAY ITS IMPORTANCE IN THE SCHEME OF  
THINGS HERE. IT IS CLEARLY NOT CONTRARY TO GOVERNMENT  
POLICY AS AID MATERIALS DO HAVE SUCH A BLANKET EXEMPTION,  
SUBJECT ONLY TO MINISTRY OF FOREIGN AFFAIRS CLEARANCE.

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ALSO, WERE THE EQUIPMENT AND SUPPLIES TO BE BROUGHT IN AS  
OFFICIALS SHIPMENTS OF THE EMBASSY THE EXEMPTION WOULD APPLY.  
EMBASSY RECOMMENDS THAT IT BE AUTHORIZED TO OPPOSE THIS  
OBJECTION, BECAUSE OF DIFFICULTIES WE HAVE HAD FREQUENTLY WITH  
NBR.

3. OBJECTION: IN PARAGRAPH 5, NBR PROPOSES TO BREAK THE

PARAGRAPH INTO TWO SEGMENTS AS FOLLOWS:.

QUOTE: 5(A) THE GOVERNMENT OF BANGLADESH WILL EXEMPT PEACE CORPS VOLUNTEERS, VOLUNTEER LEADERS, THE PEACE CORPS REPRESENTATIVE AND STAFF, AND PERSONNEL OF UNITED STATES PRIVATE ORGANIZATIONS PERFORMING FUNCTIONS UNDER THIS AGREEMENT FROM ALL TAXES ON INCOME DERIVED FROM THEIR PEACE CORPS WORK OR FROM SOURCES OUTSIDE BANGLADESH AND FROM ALL OTHER TAXES CHARGES AND FEES, EXCEPT II LICENCE FEES AND TAXES OR OTHER CHARGES OR FEES INCLUDED IN THE PRICES OF EQUIPMENT SUPPLIES AND SERVICES.

5(B) THE EXPATRIATE EXPECTS/TECHNICIANS/CONSULTANTS OF THE PEACE CORPS PROGRAMME WILL BE GIVEN THE PRIVILEGES UNDER S.R.O. 131/D/CUS/74 AND S.R.S. 132/D/CUS/74 DATED 14.3.74. AS AMENDED FROM TIME TO TIME SUBJECT TO THE CONDITIONS AND LIMITATIONS AS LAID DOWN THEREIN.UNQUOTE.

COMMENT: IT IS NOT CLEAR WHY "IMMIGRATION FEES" HAS BEEN OMITTED FROM THE FIRST PART AND SUGGEST WE COUNTER WITH "VISA AND AIRPORT FEES" AS NEW WORKING. PARAGRAPH 5(B) IS A MORE SERIOUS MATTER. THE STANDARD RULES ORDERS REFERRED TO SEVERELY RESTRICT FREE IMPORT PRIVILEGES. TAKEN TOGETHER THEY PERMIT INITIAL DUTY FREE ENTRY (WITHIN A PERIOD OF SIX MONTHS OF ARRIVAL IN BANGLADESH) OF AN AUTOMOBILE, PERSONAL AND HOUSEHOLD EFFECTS, AND CONSUMABLES UP TO A LIMIT OF TAKA 750 PER MEMBER OF THE FAMILY. ALSO PERMITTED IN A MONTHLY IMPORTATION OF CONSUMABLES OF TAKA 750. WITHIN THE TAKA 750 ONE HALF OF THE AMOUNT MAY BE FOR LIMITED OFFICIAL USE

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LIQUOR AND TOBACCO, PROVIDED THE MEMBER OF THE HOUSEHOLD IS AT LEAST 18 YEARS OF AGE. THIS CONTRASTS WITH THE US-BD AGREEMENT ON THE OPERATIONS OF USAID WHICH WAS SIGNED MAY 21, 1974, AND WHICH PROVIDES USAID STAFF WITH THE SAME PRIVILEGES AS WOULD BE ACCORDED AN OFFICER OF EQUIVALENT RANK IN THE DIPLOMATIC ESTABLISHMENT. WE ASSUME THAT PEACE CORPS WILL WANT TO STAY WITH THAT FORMULATION FOR THE PROFESSIONAL STAFF BUT WOULD BE WILLING TO ACCEPT THE SRO TERMS FOR VOLUNTEERS. REQUEST INSTRUCTIONS.

4. OBJECTION: IN PARAGRAPH 6, BDG PROPOSES WORDS "AT THE RATES OF EXCHANGE AUTHORIZED BY THE BANGLADESH BANK FROM TIME TO TIME" BE SUBSTITUTED FOR "AT THE HIGHEST RATE OF EXCHANGE WHICH IS NOT UNLAWFUL IN BANGLADESH". COMMENT: AS THIS AMOUNTS IN PRACTICE TO THE SAME THING WE SEE NO PROBLEM WITH CHANGING THE WORDING.

5. WE REQUEST DEPARTMENT'S AND PEACE CORPS' COMMENTS AND/OR INSTRUCTIONS ON THESE PROPOSED CHANGES AS SOON AS POSSIBLE SO THAT THEY MAY BE PASSED TO MAJID OR IF APPROPRIATE TO A MEMBER OF THE COUNCIL OF ADVISORS. MAJID MADE IT CLEAR THAT THESE ARE THE RESULTS OF OFFICIAL LEVEL

COORDINATION AND THAT THE PACKAGE HAS NOT YET GONE TO THE  
COUNCIL OF ADVISORS AND THE PRESIDENT FOR FINAL DECISION.  
HE, OF COURSE, WOULD LIKE TO FORWARD PROPOSAL TO THE  
PRESIDENT WITH ADVICE THAT U.S. HAS AGREED TO BUREAUCRACY'S  
CHANGES. IT IS NOT CLEAR WHETHER HE WOULD BE PREPARED  
TO SUBMIT IT WITH COMMENTS THAT U.S. DID NOT ACCEPT SOME  
OR ALL OF THE CHANGES RECOMMENDED BY NBR.  
BERGESEN

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** VOLUNTARY AGENCIES, NEGOTIATIONS  
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**Draft Date:** 10 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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